

EXHIBIT 25

Reorg Research

Puerto Rico

PROMESA Board, Commonwealth in Talks to 'Improve' Certified Fiscal Plan

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The PROMESA oversight board and the administration of Gov. Ricardo Rosselló are holding conversations about “improving” the [commonwealth fiscal plan](#), which was certified last Thursday.

PROMESA oversight board Chairman José Carrión discussed the talks during an [interview](#) today with Noti-Uno radio station, saying that they were part of efforts to avoid a costly legal battle and to ensure the fiscal plan’s implementation. Christian Sobrino, the governor’s non-voting representative on the board, confirmed the talks, telling Reorg Research that “conversations are indeed taking place.”

The board chairman said he would not “enter into details” of the ongoing conversations but discussed them while addressing the administration’s stated opposition to a labor reform and a \$200 million annual cut in pension benefits that the board included in the certified fiscal plan.

“We would like the executive and Legislature to reconsider and take the fiscal plan as the route to follow and implement it. Unfortunately, if we don’t achieve this goal, one of the options we are considering will be the legal issue. I am concerned ... because this carries an additional cost for the public and is something that we obviously want to avoid,” Carrión said.

“What are we doing to avoid this? Without entering into details, we have had conversations to see if we can push forward with something that makes sense to improve the certified fiscal plan,” he added.

During the interview, the PROMESA board chairman reiterated that the board and administration agree on the “vast majority” of the reforms and initiatives contained in the fiscal plan, but he acknowledged that the two major differences – the pension cut and labor reform – are “material” to the fiscal plan.

Carrión emphasized that the proposed labor reform is an “extremely important” initiative that is expected to produce \$1.2 billion over the six-year course of the plan.

Meanwhile, the proposed pension benefit cut is important not only because of the \$200 million in annual savings it will generate but because it is an important step to show that the fiscal plan is “balanced.”

“The reason we are promulgating this type of cut and reform is we need to present a balanced plan to undertake a restructuring,” he said, referring to the plan of adjustment process outlined under PROMESA that requires approval from the Title III court. Carrión said that the fiscal plan is “essential” to being able to finish debt restructuring negotiations because it contains a series of projections that imply the capacity to pay debt. He said that both the fiscal plan and subsequent plan of adjustment that will be submitted to the court must be balanced under the PROMESA statute.

“If we don’t do this, there exists the probability that the judge takes the issue of the percentage into her hands and decides for more severe cuts,” Carrión said, adding that during the Detroit bankruptcy, police and firefighters received pension cuts of about 13% and general government workers suffered cuts of about 20%.

The PROMESA board chairman said that bondholders have a higher payment priority under the law than pensioners. “Legally, the bondholders in effect have rights over pensioners, which are unsecured creditors. ... In effect, there is a reality that first come the bondholders and afterwards come the pensioners. We want to ensure that the cut will be modest and we can justify the debt

During the interview, Carrión said that in the case of public corporations with their own pension systems, the cuts would be made through the Title III court process. Although the average 10% cuts to pension benefits are outlined in the [certified commonwealth fiscal plan](#), the plan states that one important aspect of the proposed reform – the freezing of current pension benefits for teachers and the judiciary – will be “implemented through the Plan of Adjustment.”

Resident Commissioner Jenniffer González told Reorg Research during a Monday [interview](#) that the entire pension issue should be handled through the Title III court process because beneficiaries will likely challenge in the courts any move to reduce their benefits, and that would only work to delay the implementation of the fiscal plan.

News of the talks between the board and commonwealth regarding potential improvements to the fiscal plan comes a day after the U.S. House Natural Resources Committee released a statement urging increased collaboration between the board and the commonwealth. “The Committee is reviewing the newly approved fiscal plans, but [Chairman Rob Bishop, R-Utah] is hopeful the structural reforms imposed by the certified plans will finally begin to guide Puerto Rico along the path towards fiscal accountability, balanced budgets, and much needed government reforms,” Committee spokeswoman Katie Schoettler said. “The lofty goals will require effective implementation by the Puerto Rican government, and we encourage increased collaboration with the Oversight Board to ensure the goals of PROMESA are accomplished, allowing the island access to the capital markets and the growing of a strong and sustainable economy.”

During the radio interview, Carrión also noted that the Puerto Rico Legislature is the second most costly on a per capita basis in the U.S. when compared with state legislatures, trailing only Alaska. While the fiscal plan calls for a 17.5% or \$20 million cut to the Legislature, Carrión said that it would take an 85% cut to bring the legislature in line with other state legislatures. “Puerto Rico is a poor country, and the legislature does not reflect this,” the board chairman said.

In a [subsequent interview](#) on Noti-Uno, Senate President Thomas Rivera Schatz responded by questioning the achievements of the board and saying that that Carrión, as a businessman, stands to benefit from the labor reform and other initiatives the board is pushing.

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